

State of Illinois
Pat Quinn, Governor



Department of Employment Security
Jay Rowell, Director

Fast Facts for Employers





A Message to Illinois Employers

As the prime movers in the world of economic development, business owners need accurate information, and they need it quickly. *Fast Facts* will provide to the business owner:

- Guidance on complying with the Illinois unemployment insurance law
- Details on your unemployment insurance rate
- Free resources for finding and hiring employees who match your specifications
- Labor market information for your local area
- Special assistance in layoff situations

The Illinois Department of Employment Security (IDES) administers the state's employment services, labor market information and unemployment insurance programs. IDES is available to assist you at local offices and Illinois workNet Centers across the state. For more information, visit **www.ides.illinois.gov**.

Employment Service

Illinois JobLink - Illinois JobLink is your best source for posting jobs. To find matches based on your qualifications and search our internet-based system of thousands of resumes, simply log on to **www.illinoisjoblink.com**. After registering, you may post job orders, recruit the best qualified employees, and even interview candidates at IDES offices.

Work Opportunity Tax Credit (WOTC) - WOTC is a federal program that provides tax savings to employers who hire people from certain target groups, including public assistance recipients, veterans, youth and ex-felons.

The purpose of this program is to enable these individuals to gradually move from economic hardship to steady employment, while participating employers are rewarded by being able to lower their federal income tax liability. Tax credits are available from \$1,200 up to \$9,600 depending on the category. For more information, go to **www.ides.illinois.gov** and select "Tax Credits" under the "Employers" tab.

Fidelity Bonding - If you make a firm offer of full-time employment to a person with a poor credit history, limited work history, dishonorable military discharge, or criminal conviction, IDES can arrange a no-cost bond. For more information, go to **www.ides.illinois.gov** and type the key word "bonding" in the search box at the top of the page.

Re-entry Employment Service Program - If you are considering the hiring of an ex-offender, contact IDES for recruitment services, tax credit information and no-cost insurance, or go to **www.ides.illinois.gov** and type the key word "re-entry" in the search box at the top of the page.

Labor Market Information - For information on wages by occupation, projected employment levels, demographics, industry trends, and local resources, go to **www.ides.illinois.gov** and select "Labor Market Information" under the "Employers" tab. The table provides descriptions and links to all available data on the workforce in your region. Labor Market Information is available at no cost to your business.

Unemployment Insurance

Illinois Unemployment Insurance Act

Employers who are subject to the Illinois Unemployment Insurance Act supply the funds IDES uses to pay benefits to the unemployed. Most for-profit employers

become subject to the Illinois Unemployment Insurance Act and are liable for paying contributions as soon as they have:

- Paid \$1,500 in wages in a single calendar quarter, or employed one or more persons for 20 weeks in a given calendar year; or
- Paid \$1,000 in cash wages in one calendar quarter for domestic work; or
- Paid \$20,000 in cash wages in one calendar quarter or employed 10 or more workers for 20 weeks in a given calendar year for farm work.

A nonprofit organization will become liable for the year when it has employed four or more persons during each of 20 weeks in a given calendar year.

A local governmental organization is liable if it pays wages.

Once you become liable, you will remain so until IDES approves your termination request. If you decide to cease business operations, write a letter or submit Form UI-50A, *Notice of Change*, within five days of the date your final quarterly report is due.

To access the *Unemployment Insurance Act* or the *Guide to the Illinois Unemployment Insurance Act*, go to **www.ides.illinois.gov** and type the keywords “law handbook” in the search box at the top of the page.

Quarterly Wage Reporting and Contributions are assigned by IDES. The annual Contribution Rate Determination is mailed in November prior to the effective year of the new rate. If you disagree with your assigned rate, you must contest the new rate within 15 days.

A newly established business is assigned a new employer rate. Usually, after three years, an existing business is assigned a variable rate based on total taxable wages paid and benefits paid to employees of the business. Review the *Statement of Benefit Charges*, Form BEN-118, that IDES sends out each quarter. Errors should be contested within 45 days.

Wage reports and contributions are due a month after the close of each calendar quarter, that is, on or before April 30, July 31, October 31, and January 31. File Form UI-3/40, *Employer's Contribution and Wage Report*. Include your workers' names, Social Security numbers, and wages paid, as well as your calculation of the contribution amount due to IDES. Payments can be made using Illinois TaxNet, an electronic fund transfer or a check. Employers who wish to use a credit or debit card should go to **<https://www.paybill.com/IDES>** for details.

Illinois TaxNet can assign an Illinois Unemployment Insurance (UI) account number, determine liability status, and issue a UI contribution rate. To register, go to **<https://taxnet.ides.state.il.us>**. Illinois TaxNet also allows employers to file

their quarterly wage reports and pay their taxes electronically. The Illinois TaxNet Hotline number is (866) 274-5697.

New Hire Reporting must take place within 20 days of adding an employee. Employers must provide the below data by fax (217) 557-1947 or online at www.ides.illinois.gov. Select "Report New Hires" under the "Employers" tab.

1. Name, address, Social Security number and hiring date of the newly hired individual.
2. Name, address, and Federal Employer Identification Number of hiring employer.

Penalties for late filing of a Quarterly Contribution and Wage Report can range from \$50 to \$5,000. Unpaid balances accrue interest at the rate of two percent per month. In some cases, the IDES director may waive payment of penalty and interest. You must apply for a waiver within 30 days of the date IDES mails your notification that you are delinquent, show good cause for your late filing and pay the full amount of past due contributions.

Due Process applies regarding your account. Review each document IDES sends you and file protests in a timely manner. Petition for a hearing if you find an error in your rate or in your benefit charges. After your hearing, the director's representative will send a recommendation for disposition. You can file an objection within 20 days of its mailing. If you disagree with the director's subsequent decision, you may file a complaint with the Circuit Court within 35 days.

Audits In order to insure compliance with the Act, payroll audits are performed by IDES. You are required to keep your payroll records for five years.

Employer Fraud should be reported to IDES Audit & Collections Subdivision, 33 S. State St., 10th Floor, Chicago, IL 60603-2802; (312) 793-8333; or IDES Benefit Payment Control, (312) 793-3200. Claimant Fraud should be reported to IDES Benefit Payment Control at (312) 793-3200.

Employer Tax Questions can be answered by the Employer Services Hotline. The telephone number is (800) 247-4984, Option 2. The TTY number is (866) 212-8831.

Personal Liability of Responsible Parties Officers and employees may now be held personally liable for their employers' outstanding unemployment insurance debts. The Unemployment Insurance Act was recently amended to provide for the personal liability of any officer or employee of an employer who has control, supervision or responsibility for the filing of reports or the payment of contributions, payments in lieu of contributions, penalties or interest for the employer and who willfully fails to file the reports or make the payments. The courts have interpreted similar provisions

broadly with respect to both who is a responsible party and what constitutes a willful failure to report or to pay. Beginning with the reports and payments for the first quarter of 2012, if an employer fails to file a report or fails to pay any contributions, payments in lieu of contributions, penalties or interest, when due, the Department will be looking to corporate officers and other responsible individuals for payment and, if such payments are not made, liens on homes, autos, boats and other property and levies on personal bank accounts may follow. For more info: www.ides.illinois.gov/taxesandreporting.

Notices regarding eligibility criteria for unemployment insurance benefits and the process for filing for benefits must be posted and visible to employees in the workplace. *Notice to Workers About Unemployment Insurance Benefits*, Form BEN-57, outlines the claims filing process and the eligibility criteria. Download the poster by visiting www.ides.illinois.gov and entering the keyword “poster” in the search box at the top of the page.

Brochures - Brochures called *What Every Worker Should Know About Unemployment Insurance* must be given to workers who leave their employment. If you cannot hand deliver them, you must mail them to each worker's last known address within five days of separation. Brochures may be obtained at your nearest local office or by visiting www.ides.illinois.gov and entering the keywords “What Every Worker” in the search box at the top of the page.

Layoffs that are 50 or more employees require special attention. Contact your local IDES office to see if representatives are available to meet with your workers at the job site to explain unemployment insurance and re-employment assistance.

Workers' Monetary Eligibility - Workers must have earned at least \$1,600 in wages during a 12-month base period (defined as the first four of five completed calendar quarters preceding the worker's initial claim for benefits) to qualify for benefits. At least \$440 of the \$1,600 must have been earned during quarters other than the one in which earnings were highest. Workers who have been awarded temporary total disability benefits may have their base period determined differently. Contact your local IDES office for more information.

Workers' Continuing Eligibility - Workers may be ineligible for benefits if they quit a job without good cause, are discharged for misconduct, or are involved in a labor dispute. Benefits may be discontinued due to physical inability to work, failure to adequately search for work, mental inability to work, or unavailability for work.

Eligible Claimants can receive up to 25 full weeks of regular benefits during the year after they first file a claim. During periods of high unemployment, additional weeks may be authorized. The amount of benefits paid depends on the amount of wages earned during the base period.

The weekly benefit payment may be increased by a dependent's allowance or decreased if the claimant receives income from other sources. Benefits are paid by debit card or direct deposit.

Benefit Charges are listed in the account records of a "chargeable employer," and affect the employer's tax rate. You are the chargeable employer if you:

- Separated the claimant from work or reduced their hours, causing their unemployment
- Were the last one to employ the claimant, and did so for at least 30 working days (not necessarily consecutive), or
- Provided employment that allowed the claimant to requalify for benefits.

To Contest a Claim, use the *Notice of Claim* form and protest either the claimant's eligibility or your status as chargeable employer — or both. You have 10 days to file. It is important that you reply by the due date indicated on the form or possibly forfeit the right to appeal any subsequent decisions. After you file your protest, you will receive a Notice of IDES' Determination.

If you disagree with the claims adjudicator's determination or reconsidered determination, you may file an appeal within 30 days after your notice was mailed. Claimants have similar appeal rights.

A Notice of Hearing indicating the date, time, and place. At the hearing, usually conducted by phone, both you and the claimant will have the opportunity to state your cases and support your arguments. A brochure called "Preparing for Your Appeal Hearing" is available on our web site. Go to www.ides.illinois.gov and type "prepare for appeal hearing" in the search box at the top of the page.

After the hearing, you will receive a Referee's Decision in the mail. If the Referee has decided in the claimant's favor, you have 30 days to appeal again to the Board of Review. If you disagree with the Board of Review's decision, you have 35 days to appeal to the county Circuit Court.

A Labor Dispute requires that the employer, within five calendar days of the work stoppage, mail a list of the workers' names and Social Security numbers to the IDES Labor Dispute Unit: 33 South State St., 9th floor, Chicago, IL 60603-2901. After conducting an investigation, the Department will send you a Determination indicating which workers are subject to disqualification and which are not as a result of the labor dispute.

To Appeal the Labor Dispute Determination, write a letter within 30 days and mail it to the IDES Labor Dispute Unit. Outline why you disagree with the determination, and attach a list of employees who you are protesting, along with their SSNs or Claimant IDs. A representative of the director will conduct a

hearing, and then you will receive a copy of their report and recommendation, to which you may file an objection within 10 days. The Director will consider the evidence, the objections and the Report and Recommendation of the representative and will issue a decision which can be appealed within 35 days to the county Circuit Court.

The money you pay quarterly to IDES under the Illinois Unemployment Insurance Act goes to workers in the form of unemployment insurance benefits. The money you pay to the federal government under the Federal Unemployment Tax Act supports IDES' administration of the unemployment insurance program. To help IDES use those tax dollars effectively:

- Protest the claims of workers who you believe are not entitled to benefits.
- Refrain from protesting claims you know are valid.
- Notify IDES of claimants who no longer qualify for benefits (returned to work, received disqualifying income, are not actively looking for work, etc.)
- Cooperate with IDES investigations of claimants' work search activities and eligibility issues.

Note: The information contained in this brochure is subject to change at any time. For the latest information, visit the IDES website at www.ides.illinois.gov.

The Illinois Department of Employment Security is an equal opportunity employer and complies with all state and federal nondiscrimination laws in the administration of its programs. Auxiliary aids and services are available on request to individuals with disabilities. The Illinois Department of Employment Security, Equal Employment Opportunity (EEO) officer is responsible for compliance and can be reached at (312) 793-9290 or TTY (888) 340-1007.



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